

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2055 - HB 2831

February 18, 2020

SUMMARY OF BILL: Prohibits a state agency from entering into or renewing a contract or other agreement with the federal government for the receipt of a federal block grant without approval of the agreement passed as a joint resolution by the General Assembly.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Restricting approval of agency involvement in federal block grants will result in a unknown impact to federal funding and state expenditures. Due to multiple unknown factors, a precise impact on state or local government cannot reasonably be determined.

Assumptions:

- Pursuant to Tenn. Code Ann. § 9-4-5403, a state agency is required to make federal block grant decisions based on minimizing harmful impacts on current programs, recipients of assistants, local government, and the state economy.
- Pursuant to Tenn. Code Ann. § 9-5-5404, each state agency responsible for making or recommending decisions on federal block grants is required to issue a report detailing how those decisions were prioritized to multiple committees of the Senate and House of Representatives by February 1 each year.
- Prohibiting a state agency from entering into or renewing an agreement for the receipt of a federal block grant unless it is approved during a legislative session restricts the timeframe in which an agency could apply for or receive federal block grants.
- The extent of federal block grant receipt that occurs outside of a legislative session is unknown; however, it is estimated to be a majority of the federal block grant funding received throughout the year.
- The proposed legislation is unclear as to whether state agencies will be authorized to apply for federal block grants outside of a legislative session.
- The proposed legislation is estimated to result in a decrease in federal block grant funding to the state; however, a precise impact to state or local government cannot reasonably be determined.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/agr